

## Senate Bill No. 970

### CHAPTER 365

An act to amend Section 42999 of the Public Resources Code, relating to greenhouse gases.

[Approved by Governor September 14, 2016. Filed with Secretary of State September 14, 2016.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 970, Leyva. Greenhouse Gas Reduction Fund: grant program: recyclable materials.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

Existing law requires certain moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund to be used by the Department of Resources Recycling and Recovery for a grant program to provide financial assistance to reduce greenhouse gas emissions by promoting in-state development of infrastructure to process organic and other recyclable materials into new, value-added products.

This bill would require the department, in awarding a grant for organics composting or anaerobic digestion under the program, to consider, among other things, the amount of greenhouse gas emissions reductions that may result from the project and the amount of organic material that may be diverted from landfills as a result of the project. This bill would also permit the department, to the degree that funds are available, to provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares the following:

(a) Organic waste diversion policies in California should encourage and incentivize regional integrated projects that maximize the efficient diversion of landfill waste, achieve cost-effective reductions in emissions of greenhouse gases, and maximize resource recovery and environmental

benefits through the creation of clean energy and low-carbon transportation fuels.

(b) According to the California Air Resources Board, leveraging existing excess capacity at California's waste treatment facilities can dramatically reduce the number of new facilities that may be required to handle diverted organic waste and help maximize the environmental and economic potential of organic waste diversion.

SEC. 2. Section 42999 of the Public Resources Code is amended to read:

42999. (a) Any additional funds appropriated by the Legislature from the Greenhouse Gas Reduction Fund, established pursuant to Section 16428.8 of the Government Code, to the department shall be used to administer a grant program to provide financial assistance to reduce greenhouse gas emissions by promoting in-state development of infrastructure to process organics and other recyclable materials into new, value-added products. The moneys shall be expended consistent with the requirements of Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code and Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code.

(b) From moneys appropriated for purposes of this section, the department shall provide grants, incentive payments, contracts, or other funding mechanisms to public and private entities located in the state for any of the following:

- (1) Organics composting.
- (2) Anaerobic digestion.
- (3) Recyclable material manufacturing infrastructure projects or other related activities that reduce greenhouse gas emissions.

(c) For purposes of this section, eligible infrastructure projects that reduce greenhouse gas emissions include, but are not limited to, any of the following:

- (1) Capital investments in new facilities and increased throughput at existing facilities for activities, such as converting windrow composting to aerated-static-pile composting to use food waste as feedstock.
- (2) Designing and constructing anaerobic digestion facilities to produce biofuels and bioenergy.
- (3) Designing and constructing facilities for processing recyclable materials.

(d) In awarding a grant for organics composting or anaerobic digestion pursuant to this section, the department shall consider all of the following:

- (1) The amount of greenhouse gas emissions reductions that may result from the project.
- (2) The amount of organic material that may be diverted from landfills as a result of the project.
- (3) If, and how, the project may benefit disadvantaged communities.
- (4) For a grant awarded for an anaerobic digestion project, if, and how, the project maximizes resource recovery, including the production of clean energy or low-carbon or carbon negative transportation fuels.
- (5) Project readiness and permitting that the project may require.

- (6) Air and water quality benefits that the project may provide.
- (e) To the degree that funds are available, the department may provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits.